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Private Fund Seen Outlet For CIA Cash

N. Y. Times News Service

NEW YORK — Charges that the J. M. Kaplan Fund Inc., of 55 Fifth Ave., has acted as a "secret conduit" for transmission of funds abroad for the Central Intelligence Agency have met a wall of silence at the fund.

A copy of a report made by the Kaplan Fund as a tax exempt organization to the Internal Revenue Service for 1963, however, shows an unexplained grant of \$395,000 for that year to an institute headed by a man who has long been identified with anti-Communist causes in Europe and Latin America. The grant was the largest made by the Kaplan Fund last year in a total of \$1,045,390.

Recipient of the \$395,000 was the Institute of International Labor Research, of 113 East 37th St. Its secretary-treasurer is Sacha Volman, a naturalized refugee from Rumania. For years in Paris he headed a group called Free Trade Unions in Exile that worked with underground anti-Communist forces in Eastern Europe.

VOLMAN established his institute here in 1959. Its present office is a two-room flat at the rear of the second floor of a converted brownstone. It has had a tax-exempt status. Norman Thomas is listed as chairman of its directors.

Volman denied that he knew of any C.I.A. connection, or of any other government agency link, with the moneys granted the institute by the Kaplan Fund. It was his recollection that the fund had also made grants in 1960, 1961 and 1962, although not in as large

At his institute office it was said the stated purposes of the institute were to be "educational research in undeveloped countries" and that it had "established schools in Latin America."

It is doing no work now in Latin America. The last was the Center of Research in Economic and Social Development in Santo Domingo, the Dominican Republic. It was closed when the Bosch Government was overthrown by a military junta a year ago.

THAT CENTER, CIDES as it was known, was supported by the Ford and Parvin Foundations, the latter with headquarters in California, and the Agency for International Development. Volman was the director.

Before founding CIDES after the overthrow of the Trujillo dictatorship, Volman had directed the Institute of Political Education in San Jose, Costa Rica. Dr. Bosch was a member of the faculty. The institute was closed after the overthrow of Trujillo, and staff moved to Santo Domingo.

The \$395,000 grant by the Kaplan Fund to Volman's organization stood out because of the amount. The fund made 101 grants in 1963, most of them of only four figure amounts. Next to the grant to the institute was one of \$100,000 to the Jewish Theological Seminary of America.

Another interesting figure in the Kaplan Fund report was that of \$395,750 listed as a "contribution" under the heading "Receipts Not Reported Elsewhere." The sources was not given.

The charge that the New York philanthropic organization was being used as a "secret conduit" for C.I.A. funds was made Monday in Washington by Rep. Wright Patman, the Texas Democrat who heads the House Small Business subcommittee that has been investigating tax-exempt foundations. The Kaplan Fund has been under investigation both by the House group and by the Internal Revenue Service.